

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000. The whole of this Document should be read, but your attention is in particular drawn to the section entitled "Risk Factors" at Part III of this Document.

If you have sold or otherwise transferred, or you sell or otherwise transfer, all of your holding of Existing Ordinary Shares held in certificated form prior to the ex-entitlement date, please send this Document and, if appropriate, the accompanying Application Form at once to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was or is effected, for onward delivery to the purchaser or transferee, except that such documentation should not be sent into a Restricted Jurisdiction. If you have sold or otherwise transferred or sell or otherwise transfer Existing Ordinary Shares held in an uncertificated form prior to the ex-entitlement date, a claim transaction will automatically be generated by Euroclear which, on settlement will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee. Instructions regarding split applications are set out in the Application Form.

Copies of this Document are available, free of charge, at the registered office of Proteome Sciences plc, at Coveham House, Downside Bridge Road, Cobham, Surrey, KT11 3EP for the period of one month from 14 June 2010.

This Document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this Document has not been, and will not be, reviewed or approved by the Financial Services Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of Section 21 FSMA.

Your attention is drawn to the letter from the Independent Directors of Proteome Sciences plc. The Directors of Proteome Sciences plc accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and this document makes no omission likely to affect the impact of such information.

Application will be made for the Open Offer Shares and the Placing Shares to be admitted to trading on the AIM market of the London Stock Exchange ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. **This Document does not comprise an admission document under the AIM Rules and the London Stock Exchange has not itself examined or approved the contents of this Document. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Open Offer Shares and the Placing Shares to the Official List. The Open Offer Shares and the Placing Shares will not be dealt on any other recognised investment exchange and no other such application will be made.** It is anticipated that Admission will become effective and that dealings in the Open Offer Shares and the Placing Shares will commence on AIM at approximately 8.00 a.m. on 29 June 2010.

Proteome Sciences plc
(incorporated and registered in England and Wales under number 02879724)
Placing of 24,050,000 Placing Shares
and
Proposed Open Offer to Shareholders of up to 10,318,837 Open Offer Shares
at an Issue Price of 20 pence per New Ordinary Share
and
Proposed Chief Executive Loan Conversion

Singer Capital Markets Limited which is authorised and regulated by the Financial Services Authority is acting exclusively for Proteome Sciences plc in connection with the advice given to the Independent Directors of Proteome Sciences plc.

The distribution of this Document, the Application Form and/or the transfer of Open Offer Entitlements through CREST or otherwise in jurisdictions other than the United Kingdom may be restricted by applicable laws or regulations and this Document does not form part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for Open Offer Shares in any jurisdiction where such offer, invitation or solicitation is unlawful. Persons in jurisdictions other than the United Kingdom into whose possession this Document comes should inform themselves about and observe any such applicable legal or regulatory requirements in such jurisdiction. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

None of the Open Offer Shares or Placing Shares, the Open Offer Entitlements, this Document or the Application Form have been, or will be, registered under the United States Securities Act of 1933, as amended, or under the securities legislation of any state of the United States or any other Restricted Jurisdiction. The relevant clearances have not been, and will not be, obtained from the securities commission of any province or territory of Canada. No Document in relation to the Fundraising has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission, and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Fundraising, this Document, the Application Form, the Placing Shares, the Open Offer Shares or the Open Offer Entitlements. Accordingly, subject to certain exceptions the Placing Shares, the Open Offer Shares and the Open Offer Entitlements may not directly or indirectly be offered, sold, renounced, resold, taken up or delivered in or into the United States, Canada, Australia, Japan or any other Restricted Jurisdiction or offered to, sold to, renounced, taken up or delivered in favour of, or to, a person within the United States or a resident of Canada, Australia, Japan or any other Restricted Jurisdiction. The attention of Overseas Shareholders is drawn to the section headed "Overseas Holders" set out in paragraph 6 of Part II of this Document.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 28 June 2010. The procedure for application and payment for Qualifying Shareholders is set out in paragraph 3 of Part II of this Document, and, where relevant, in the accompanying Application Form.

Cautionary note regarding forward-looking statements: This Document contains statements about Proteome Sciences plc that are or may be "forward-looking statements". All statements, other than statements of historical facts, included in this Document may be forward-looking statements and are subject to, *inter alia*, the risk factors described in Part III of this Document. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance,

indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies and the expansion and growth of the operations of Proteome Sciences plc. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of Proteome Sciences plc. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the Disclosure and Transparency Rules and/or the Prospectus Rules), Proteome Sciences plc does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Proteome Sciences plc or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Document are based on information available to the Directors of Proteome Sciences plc at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

CONTENTS

	Page
Directors of the Company	3
Expected Timetable of Principal Events	4
Open Offer Statistics	5
Definitions	6
PART I Letter from the Independent Directors of Proteome Sciences plc	10
PART II Details of the Open Offer	15
PART III Risk factors	30
PART IV Additional information	33

DIRECTORS OF THE COMPANY

Ralph Stephen Harris	Non-executive Chairman
Christopher Donovan James Pearce	Chief Executive
James Leonard Malthouse	Finance Director
Professor William Dawson	Non-executive Director
Dr Alf Erik Anton Lindberg	Non-executive Director

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2010
Record Date and time for the Open Offer	5.00 p.m. on 10 June
Announcement of the Open Offer and Posting of Circular	11 June
Existing Ordinary Shares marked 'ex' by the London Stock Exchange	11 June
Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Holders	14 June
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 22 June
Latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 23 June
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 24 June
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 28 June
Admission and commencement of dealings of the Open Offer Shares	29 June
Open Offer Shares credited to CREST stock accounts	29 June
Annual General Meeting	10.00 a.m. on 30 June
Admission and commencement of dealings of the Chief Executive Loan Shares	1 July
Despatch of definitive share certificates for Open Offer Shares	by 12 July

Notes:

- (1) References to times in this Document are to London time (unless otherwise stated).
- (2) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.
- (3) The timing of the events in the above timetable and in the rest of this Document is indicative only.
- (4) In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part II of this Document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Capita Registrars on 0871 664 0321 or, if calling from outside the United Kingdom, +44 20 8639 3399, where relevant, quoting the allotment number of their Application Form.

Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's additional network charges. Calls to the Capita Registrars' +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

OPEN OFFER STATISTICS

Market price per Existing Ordinary Share ⁽¹⁾	22.75 pence
Number of Existing Ordinary Shares in issue ⁽²⁾	132,803,571
Price of each Open Offer Share	20 pence
Number of Open Offer Shares to be offered for subscription by the Company	10,318,837
Maximum proceeds of the Open Offer (before expenses)	£2,063,767.40
Maximum Enlarged Share Capital following Admission ⁽³⁾	192,172,408
Maximum percentage of Enlarged Share Capital represented by the Open Offer Shares ⁽⁴⁾	5.4 per cent.

Notes:

- (1) Mid-market price on AIM on 10 June 2010, being the last Business Day prior to the announcement of the Open Offer.
- (2) As at 10 June 2010, being the last Business Day prior to the announcement of the Open Offer.
- (3) Assuming full take up of the Open Offer and following the Placing and the Chief Executive Loan Conversion.
- (4) Assuming full take up of the Open Offer and following the Placing and the Chief Executive Loan Conversion.

DEFINITIONS

“Act”	the Companies Act 2006
“Admission”	the admission of the Placing Shares and the Open Offer Shares and/or the Chief Executive Loan Conversion Shares (as the case may be) to trading on the AIM market of the London Stock Exchange
“AGM”	the annual general meeting of the Company to be held at 3.00 p.m. on or 30 June 2010,
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for companies published by the London Stock Exchange in June 2009 (as amended) governing the admission to and the operation of AIM
“Application Form”	the personalised application form on which Qualifying non-CREST Holders (other than certain Overseas Shareholders) may apply for Open Offer Shares under the Open Offer
“Australia”	the Commonwealth of Australia, its states, territories or possessions
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
“Canada”	Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-divisions thereof
“Capita Registrars” or “Registrars”	Capita Registrars Limited, part of the Capita Group Plc
“Chief Executive Loan”	the loan facility of £10 million plus interest loan provided to Proteome Sciences by Christopher Pearce
“Chief Executive Loan Conversion”	conversion of £5,000,000 of the Chief Executive Loan at the Placing Price
“Chief Executive Loan Conversion Shares”	25 million New Ordinary Shares to be issued and allotted to Christopher Pearce as soon as reasonably practicable following shareholder approval for the Chief Executive Loan Conversion
“Chief Executive Loan Novation”	the novation of the Chief Executive Loan to Electrophoretics Limited, the Company’s main trading subsidiary
“certificated” or “certificated form”	not in an uncertificated form
“Closing Price”	the closing middle market quotation of a share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange
“Company” or “Proteome Sciences”	Proteome Sciences plc (registered number 02879724)
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST international Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline

Rules. CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since)

“CREST member”	a person who has been admitted by Euroclear as a system-participant (as defined in the CREST Regulations)
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“CREST sponsor”	a CREST Participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all-CREST Personal Members)
“Directors” or “Board” “Document”	the directors of the Company whose names appear on page 3 of this Document this document which for the avoidance of doubt does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
“enabled for settlement”	in relation to Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and USE transactions
“Engagement Letter”	the agreement between the Company and Singer Capital Markets in connection with the Placing and Open Offer
“Enlarged Share Capital”	the issued ordinary share capital of Proteome Sciences immediately following completion of the Open Offer, the Placing and the Chief Executive Loan Conversion
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Executive Directors”	Christopher Pearce and James Malthouse
“Existing Ordinary Shares”	each Ordinary Share in issue as at the Record Date
“FSA”	the Financial Services Authority
“Fundraising”	together the Placing and Open Offer
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group”	the Company and its subsidiaries
“Independent Directors”	Stephen Harris, James Malthouse, William Dawson and Alf Lindberg being the Directors excluding Christopher Pearce
“ISIN”	International Securities Identification Number
“Issue Price”	20 pence per New Ordinary Share
“London Stock Exchange”	London Stock Exchange plc
“Member Account ID”	the identification code or number attached to any member account in CREST

“New Ordinary Shares”	up to 59,368,837 new Ordinary Shares to be created pursuant to the Placing, Open Offer and Chief Executive Loan Conversion (subject to the Resolutions being passed at the AGM)
“Open Offer”	the conditional offer made by the Company to Qualifying Shareholders of Open Offer Shares on the terms and conditions set out in this Document and, where relevant, in the Application Form
“Open Offer Entitlements”	the entitlements of Shareholders to participate in the Open Offer Shares
“Open Offer Shares”	up to 10,318,837 Ordinary Shares to be issued pursuant to the Open Offer
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Overseas Shareholders” or “Overseas Holders”	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the UK
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST Participant
“Placees”	investors in the Placing
“Placing”	the conditional issue and allotment at the Issue Price of the Placing Shares to the Placees further described in this Document
“Placing Shares”	the 24,050,000 New Ordinary Shares to be issued pursuant to the Placing
“Prospectus Rules”	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC
“Qualifying CREST Holders”	Qualifying Holders holding Existing Ordinary Shares in uncertificated form
“Qualifying Holder’s Entitlement”	a Qualifying Holder’s pro rata entitlement to Open Offer Shares
“Qualifying Holders” or “Qualifying Shareholders”	Shareholders whose names appear on the register of members of Proteome Sciences on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this Document
“Qualifying non-CREST Holders”	Qualifying Holders holding Existing Ordinary Shares in certificated form
“Receiving Agent”	Capita Registrars Limited
“Record Date”	the record date for the Open Offer, being 10 June 2010
“Resolutions”	the resolutions set out in the AGM notice
“Restricted Jurisdiction”	the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland and the Republic of South Africa
“RIS”	a regulatory information service as defined by the Listing Rules
“Securities Act”	the US Securities Act of 1933, as amended
“Shareholders” or “Proteome Sciences Shareholders”	the holders of Existing Ordinary Shares in Proteome Sciences
“Singer”	Singer Capital Markets Limited

“Sterling”	pounds sterling, the basic unit of currency in the UK
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority” or “UKLA”	the UK Listing Authority, being the FSA acting as competent authority for the purposes of Part V of FSMA
“uncertificated” or “uncertificated form”	recorded on the relevant register or other record of the share or other security confirmed as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by way of CREST
“USE”	unmatched stock event
“VAT”	value added tax

PART I

LETTER FROM THE INDEPENDENT DIRECTORS OF PROTEOME SCIENCES PLC

Coveham House
Downside Bridge Road
Cobham
Surrey, KT11 3EP
Registered Number: 02879724

11 June 2010

Dear Shareholder

Placing, Proposed Open Offer of up to 10,318,837 Open Offer Shares at an Issue Price of 20 pence per New Ordinary Share and the Chief Executive Loan Conversion

1. Introduction

On 7 June 2010, the Company announced a share issue to raise up to £4,810,000 (before expenses) through the issue of 24,050,000 New Ordinary Shares by way of a Placing at 20 pence per Ordinary Share to certain institutional investors and up to a further 10,318,837 New Ordinary Shares to be issued to existing shareholders through an Open Offer at 20 pence per New Ordinary Share. The Issue Price represents a discount of approximately 12 per cent. to the price of 22.75 pence per share, being the mid-market price of the Company's Ordinary Shares on 4 June 2010. The Open Offer is not underwritten, and accordingly, as set out below the minimum proceeds under the Fundraising are £4,810,000 (before expenses).

In connection with the Placing and Open Offer Christopher Pearce, the Chief Executive of Proteome Sciences, has agreed to convert £5,000,000 of the Chief Executive Loan into 25,000,000 New Ordinary Shares at the Placing Price. The allotment of shares to Mr Pearce is conditional upon shareholder approval which will be sought at the Company's AGM on 30 June 2010.

This letter sets out in more detail the background to the Company's position, the terms of the Placing, the Open Offer, the Chief Executive Loan Conversion and the Chief Executive Loan Novation.

2. Background to and reasons for the Placing and the Open Offer

For the last four years Proteome Sciences has been largely dependent on the Chief Executive Loan for its working capital requirements. Following the successful implementation of five licensing deals/contracts in 2009 and a further two in the current year-to-date, the Board has decided that additional funds are required in order to take the business to the next stage of development and in order to ensure further products and additional licensing deals. Therefore the Board has decided to seek additional financial resources through the Placing.

Since its introduction in June 2006, the Chief Executive Loan has been increased on four occasions, to its current level of £10 million plus accrued interest. On 3 July 2008, the Company publicly stated that it would use its best endeavours to allow shareholders to participate on similar terms in the event the entire or any part of the Chief Executive Loan were to be converted to Ordinary Shares. As part of the Fundraising there has been a desire from both the Independent Directors and Christopher Pearce to convert some of the Chief Executive Loan to reduce the indebtedness of the Company.

3. Use of proceeds and future activities

The proceeds of the Placing will be used partly to fund the Company through to breakeven. However, it is anticipated that the funds will also enable Proteome Sciences to make investments in additional equipment to be used by PS Biomarker Services.

It is also envisaged that some of the funds will be applied to the development of MS assays for the Company's proprietary biomarkers with primary focus on Alzheimer's Disease, cancer and brain damage.

On completion of the Fundraising the Company is also intending to reinstate the full payment of salaries to the Directors (who have previously agreed to waive payment part or all of their salaries and fees with effect from 1 July 2006).

The Directors consider that the Placing Proceeds and the Chief Executive Loan are sufficient for the Proteome Sciences' financial needs and that the Company has sufficient working capital for at least the next 12 months.

4. Terms of the Placing

It was announced on 7 June that the Company had conditionally placed 24,050,000 New Ordinary Shares at 20 pence per Share with existing and new investors to raise £4,810,000 before expenses. A summary of the Engagement Letter relating to the Placing and Open Offer appears in paragraph 3.1 of Part V of this document.

5. Details of the Open Offer

Proteome Sciences is proposing to raise up to £2,063,767.40 (before expenses) pursuant to the Open Offer. The proposed Issue Price of 20 pence per Open Offer Share is the same price as the price at which the Placing Shares are being issued.

The Open Offer is being made on a pre-emptive basis, allowing all Qualifying Shareholders the opportunity to participate. The Open Offer is not underwritten. The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer. However, if no applications to subscribe under the Open Offer are received the total amount that the Company would raise would be reduced to £4,810,000 (before expenses) via the Fundraising.

The Open Offer provides Qualifying Holders with the opportunity to apply to acquire Open Offer Shares at the Issue Price pro rata to their holdings of Existing Ordinary Shares as at the Record Date on the following basis of:

0.0777 Open Offer Share for every Existing Ordinary Share

and so on in proportion for any other number of Existing Ordinary Shares then held. The ratio above equates to approximately 1 Open Offer Share for every 12.87 Existing Ordinary Shares. Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating the Qualifying Holder's Entitlement.

The Directors will be authorised to offer for cash such New Ordinary Shares not applied for under the Open Offer to such persons who are willing to subscribe for such shares (at the Issue Price).

The Open Offer is subject to Admission of the Open Offer Shares becoming effective by 8.00 a.m. on 29 June 2010, (or such later time or date not being later than 8.00 a.m. on 12 July 2010 as the Company may decide).

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Excess Applications

The Open Offer is structured to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Open Offer price *pro rata* to their holdings of Existing Ordinary Shares. Qualifying Shareholders may also make applications in excess of their *pro rata* initial entitlement. To the extent that *pro rata* entitlements to Open Offer Shares are not subscribed by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications. To the extent that applications are received in respect of an aggregate of more than 10,318,837 Open Offer Shares, excess applications will be scaled back accordingly. However, excess applications will be rejected if and to the extent that acceptance would result in the Qualifying Shareholders, together with those acting in concert with them for the purposes of the Takeover Code, holding 30 per cent. or more of the issued share capital immediately following Admission.

Applications from Shareholders will be rejected if and to the extent that acceptance would result in any of them holding 30 per cent. or more of the Enlarged Share Capital following such application.

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying non-CREST Holders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer

Shares not applied for will not be sold in the market nor will they be placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

Settlement and dealings

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence at 8.00 a.m. on 29 June 2010. Further information in respect of settlement and dealings in the Open Offer Shares is set out in paragraph 7 of Part II of this Document.

Overseas Shareholders

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part II of this Document.

CREST Instructions

Application has been made for the Open Offer Entitlements for Qualifying CREST Holders to be admitted to CREST. It is expected that the Open Offer Entitlements will be admitted to CREST on 14 June 2010. The Open Offer Excess Entitlements will also be enabled for settlement in CREST on 14 June 2010. Applications through the CREST system will only be made by the Qualifying Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

If you are a Qualifying non-CREST Holder you will have received an Application Form which gives details of your Qualifying Holder's Entitlement under the Open Offer (as shown by the number of the Open Offer Entitlements allocated to you) along with the Open Offer Excess Shares to which you may apply. If you wish to apply for Open Offer Shares under the Open Offer, you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 3 of Part II of this Document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible and in any event no later than 11.00 am. on 28 June 2010.

If you are a Qualifying CREST Holder, no Application Form is enclosed but you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your Qualifying Holder Entitlement under the Open Offer along with the Open Offer Excess Shares to which you may apply. You should refer to the procedure for application set out in paragraph 3 of Part II of this Document. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 28 June 2010.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 28 June 2010. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorized independent financial adviser.

6. Chief Executive Loan Conversion and Chief Executive Loan Novation

On 29 June 2006 Christopher Pearce, the Chief Executive, and Proteome Sciences entered into a loan agreement whereby Mr Pearce provided the Company with a £2 million working capital loan facility. The loan facility was increased by £2 million on 21 February 2007 at which point the loan was changed to a convertible loan facility. The conversion price was agreed to be the lower of: (a) the closing middle market price on the conversion date; and (b) the lowest 10 day average closing share price since the introduction of the loan on 29 June 2006.

The loan pays interest at 2.5% above the Barclays Bank plc base rate from time to time and is repayable on demand.

Since 29 June 2006 the Chief Executive Loan has been increased on three occasions, 29 June 2007, 24 June

2008 and 18 June 2009. As disclosed in the Annual Report and Accounts for the year to 31 December 2009 the balance of the Chief Executive Loan at that date was £11.787 million including accrued interest.

The Company announced on 3 July 2008 that it would use its best endeavours to ensure that shareholders would be able to participate on similar terms to the terms of the Chief Executive Loan Conversion and the Open Offer is being made to eligible shareholder to subscribe for New Ordinary Shares at the same price as the Chief Executive Loan Conversion price and at which the Placing Shares will be issued.

In conjunction with the Fundraising Mr Pearce has agreed to convert £5,000,000 of the Chief Executive Loan at the Placing Price into 25,000,000 New Ordinary Shares. The Chief Executive Loan Conversion, will result in Christopher Pearce having an interest in 31,538,075 Ordinary Shares being 16.4 per cent. of the Enlarged Share Capital (following the Placing and assuming full take up of the Open Offer).

Christopher Pearce has also agreed to novate the Chief Executive Loan to Proteome Sciences' main trading subsidiary, Electrophoretics Limited, which has agreed to assume all the obligations of its parent company, Proteome Sciences. The Company will guarantee the subsidiary's payment obligations and the existing security granted by the Company in favour of Christopher Pearce in respect of the Chief Executive Loan will remain in place. The Chief Executive Loan will continue to be convertible into New Ordinary Shares in the capital of the Company in accordance with the terms of the original Chief Executive Loan agreements.

The independent directors of Proteome Sciences, having consulted with Singer Capital Markets, consider that the terms of the Chief Executive Loan Novation and the Chief Executive Loan Conversion are fair and reasonable insofar as the shareholders of Proteome Sciences are concerned.

7. Current Trading and Prospects

On 7 June 2010 the Company issued its annual report and accounts and stated the following with regards to current trading and outlook:

“In 2009, biomarkers from three different areas of our research; lung cancer, brain damage and Alzheimer's disease, were successfully converted into important revenue generative licenses. Further licenses are expected for the same disease applications by way of a series of non-exclusive biomarkers with a number of the leading diagnostics and drug development companies and these will be complemented by licenses from other biomarkers covered by our broad IP portfolio.

PS Biomarker Services secured its first pre-clinical contract with Takeda shortly after obtaining ISO 9001:2008 accreditation. This was swiftly followed by the strategic alliance with Parexel for biomarker discovery and qualification in clinical trials. The level of enquiries and quotations has continued to grow and we expect a substantial increase in orders from an increasing number of customers in 2010 and beyond.

The stimulus funding programmes, particularly in the US and Japan, have resulted in quantitative proteomics undergoing significant growth, supported by substantial continuing investment in hardware and reagents. This is reflected in the strong underlying growth in TMT[®] in 2009, with revenue more than doubled over the first comparable period. It is anticipated this trend will continue as newly acquired mass spectrometry systems come on line this year and into 2011. Following the legitimisation of iTRAQ products last year after the sublicense with Thermo-Fisher, reagents revenues will be supplemented for the first time by royalties from iTRAQ and from Thermo-Fisher's recent launch of CysTMT[®], with further additions to the TMT[®] range scheduled for 2011.

The Company has today announced that it has conditionally raised £4.5m after expenses through a share placing and that it is looking to raise up to a further £1.95m after expenses through an open offer of new ordinary shares to existing shareholders. At the same time, C.D.J. Pearce, the Chief Executive, has agreed to convert £5m of his loan to the Company into new ordinary shares at the placing price.

As a result of the share placement the material uncertainty which previously existed regarding going concern has been removed and the auditor's report for the year ended 31st December 2009 will not be modified or qualified and details of the basis on which the accounts have been prepared are set out in the Director's report in the accounts, which are being posted to shareholders today.

Supported by the strengthened balance sheet, rapidly rising revenue and royalties, we are targeting breakeven in 2010 with the prospect of serial licenses/contracts expected from an expanding pipeline.”

8. Annual General Meeting

You have recently been sent a notice convening the AGM to be held at Chandos House, 2 Queen Anne Street, London W1G 9LQ at 3.00 p.m. on 30 June 2010. The CEO Loan Conversion is conditional upon passing of the required shareholder resolutions at this year's AGM to authorise the Directors to allot 25 million New Ordinary Shares to Christopher Pearce.

The Placing Shares and the Open Offer Shares will be issued and allotted under the powers granted to Directors by shareholder approval at last year's annual general meeting.

9. Additional Information

Your attention is drawn to the risk factors and additional information set out in Parts III and IV of this Document. Shareholders are advised to read the whole of this Document and not rely solely on the summary information presented in this letter.

10. Intentions of the Directors in relation to the Open Offer

Stephen Harris, James Malthouse and William Dawson who are Directors and Qualifying Shareholders but not Placees, have indicated that they intend to acquire Open Offer Shares pursuant to their respective Open Offer Entitlements as set out in column (2) below and will further subscribe for additional Open Offer Shares under the Excess Application Facility (described in paragraph 3.1 (c) of Part II) as specified in column (3) below (provided that such excess applications will be rejected or scaled back accordingly to the extent that there are insufficient Open Offer Shares to satisfy those applications):

(1) Director	(2) No. of shares under Open Offer Entitlements	(3) No. of shares to be applied for under Excess Application Facility
Stephen Harris	11,888	15,112
James Malthouse	48,562	100,000
William Dawson	1,175	5,000

Christopher Pearce, who is a Director and Qualifying Shareholder but not a Placee, does not intend to acquire Open Offer Shares pursuant to his Open Offer Entitlement but will be free to acquire New Ordinary Shares in the future by converting the balance of the Chief Executive Loan into equity should the Board be authorised to do so by shareholder approval of the resolutions proposed at the AGM.

11. Recommendation

The Chief Executive Loan Conversion and the Chief Executive Loan Novation constitute related party transactions for the purposes of the AIM Rules. The Independent Directors, having consulted with Singer Capital Markets, consider that the terms of the Chief Executive Loan Conversion and the Chief Executive Loan Novation are fair and reasonable so far as Shareholders are concerned.

The Independent Directors unanimously recommend Shareholders to vote in favour of the Resolutions as the Independent Directors intend to do in respect of their beneficial shareholdings which amount to 793,124 Ordinary Shares representing 0.6 per cent. of the Company's existing issued share capital.

Yours faithfully

Stephen Harris
Chairman

PART II

DETAILS OF THE OPEN OFFER

1. Introduction

The Open Offer has been structured so as to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their existing holdings. Qualifying Shareholders may also make applications in excess of their *pro rata* initial entitlement. To the extent that *pro rata* entitlements to Open Offer Shares are not subscribed for by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications, subject to a maximum of 10,318,837 Open Offer Shares in aggregate. To the extent that applications are received in respect of an aggregate of more than 10,318,837 Open Offer Shares, excess applications will be scaled back accordingly.

However, excess applications will be rejected if and to the extent that acceptance would result in the Qualifying Shareholder, together with those acting in concert with for the purposes of the Takeover Code, holding 30 per cent. or more of the Enlarged Share Capital immediately following Admission.

2. The Open Offer

Proteome Sciences hereby invites Qualifying Shareholders, on the terms and subject to the conditions set out herein and, for Qualifying non-CREST Shareholders, in the accompanying Application Form, to apply to acquire any number of Open Offer Shares (subject to the limit of the number of Excess Shares that can be applied for using the Excess Application Facility) at 20 pence per Open Offer Share (payable in full on application) and will have the right to subscribe for:

0.0777 Open Offer Share for every Existing Ordinary Share

registered in their name at the close of business on the Record Date and so on in proportion for any other number of Existing Ordinary Shares then held (“Basic Entitlement”). Applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlements. The ratio above equates to approximately 1 Open Offer Share for every 12.87 Existing Ordinary Shares.

Basic Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders’ Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

Qualifying Shareholders may apply to acquire less than their Basic Entitlement should they so wish. In addition, Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility. Please see below for further details of the Excess Application Facility.

Holdings of Existing Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Basic Entitlements, as will holdings under different designations and in different accounts.

Qualifying CREST Shareholders will have their Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraphs 2, 3 and 7 of this Part II and also to the CREST Manual for further information on the relevant CREST procedures.

Excess Applications

Qualifying Shareholders may apply to acquire any number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to below. The Basic Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 2 on the Non-CREST Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Ordinary Shares in excess of their Basic Entitlement (“Excess Shares”). Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete Boxes 2, 3, 4 and 5 on the Non-CREST Application Form. Applications for Excess Shares may be allocated in such manner as the Directors

may determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders will be met in full or in part or at all.

The aggregate number of Ordinary Shares available for subscription pursuant to the Open Offer (including under the Excess Application Facility) is 10,318,837 Ordinary Shares.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their Non-CREST Application Forms are not negotiable documents and cannot be traded, Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply to take up their Basic Entitlements and Excess CREST Open Offer Entitlements, but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility or will be placed under the Placing and the net proceeds will be retained for the benefit of the Company. Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer. If valid acceptances are not received in respect of all the Open Offer Shares under the Open Offer, unallocated Open Offer Shares may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and the proceeds retained for the benefit of the Company.

The Existing Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

Application will be made for the Basic Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. The conditions for such admission having already been met, the Basic Entitlements and Excess CREST Open Offer Entitlements are expected to be admitted to CREST with effect from 14 June 2010.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

Overseas Holders are referred to the section entitled 'Overseas Holders' set out in paragraph 6 of this Part II.

The Existing Ordinary Shares are in registered form, are traded on the AIM market and are not traded on any other exchange. The Open Offer Shares will also be in registered form, will be issued credited as fully paid and will rank *pari passu* in all respects with the issued Existing Ordinary Shares. The Open Offer Shares will be issued only pursuant to the Open Offer and, subject as set out in this Part II, will not otherwise be marketed or made available in whole or in part to the public.

The proceeds of the Placing and Open Offer will amount to a maximum of approximately £6,873,767.40. The Open Offer Shares (assuming full take-up) will represent approximately 5.4 per cent. of the Enlarged Share Capital.

3. Procedure for application and payment

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has a Non-CREST Application Form in respect of his Open Offer Entitlement or a Qualifying Shareholder has Basic Entitlements and Excess CREST Open Offer Entitlements credited to his CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Shares in certificated form will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold all or part of their Existing Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(g) of this Part II.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and

Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Non-CREST Application Form.

3.1 If you have an Application Form in respect of your entitlement under the Open Offer

(a) General

Subject as provided in paragraph 6 of this Part II in relation to Overseas Holders, Qualifying non-CREST Holders will have received an Application Form with this Document. The Application Form shows the number of Existing Ordinary Shares registered in their name at the close of business on the Record Date. It also shows the maximum number of Open Offer Shares for which they are entitled to apply under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to them. Qualifying non-CREST Holders may apply for less than their maximum entitlement should they wish to do so. Qualifying non-CREST Holders may also hold such an Application Form by virtue of a bona fide market claim.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer.

(b) Market claims

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying non-CREST Holder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a market purchase of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” for the purposes of entitlement to participate in the Open Offer. Application Forms may be split, but only to satisfy *bona fide* market claims, up to 3.00 p.m. on 23 June 2010. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Holder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” for the purposes of entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from his counterparty. Qualifying non-CREST Holders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into any Restricted Jurisdiction.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 3.2(e) below.

(c) Excess Application Facility

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Boxes 2, 3, 4 and 5 of the Non-CREST Application Form. The total number of Open Offer Shares is fixed and will not be increased in response to any Excess Applications. Excess Applications will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) Application procedures

Qualifying non-CREST Holders wishing to apply to acquire all or any of the Open Offer Shares to which they are entitled should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be posted in the accompanying reply paid envelope (for use only in the UK) or delivered by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, with a cheque or banker's draft drawn in Sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of those companies. Cheques should be drawn on the personal account to which the shareholder has sole or joint title. Third party cheques will not be accepted with the exception of bankers drafts or building society cheques where the bank or building society has endorsed the back of the draft by adding the shareholders details and the branch stamp. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Applications must be received by Capita Registrars (at the address detailed above) no later than 11.00 a.m. on 28 June 2010, after which time Application Forms will not be valid. Once submitted, applications are irrevocable. If an Application Form is being sent by post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery. Cheques should be made payable to "Capita Registrars Limited re: Proteome Sciences plc Open Offer" and crossed "A/C Payee Only". It is a condition of application that cheques will be honoured on first presentation and Proteome Sciences may in its absolute discretion elect not to treat as valid any application in respect of which a cheque is not so honoured. Proteome Sciences may, in its sole discretion but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. Proteome Sciences further reserves the right (but shall not be obliged) to accept either Application Forms received after 11.00 am. on 28 June 2010 but not later than 8.00 am. on 29 June 2010 with the envelope bearing a legible postmark not later than 11.00 am. on 28 June 2010 or applications in respect of which remittances are received before 8.00 am, on 29 June 2010 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business days. Multiple applications will not be accepted.

Cheques and banker's drafts are liable to be presented for payment upon receipt. If they are presented before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account until the conditions are fully met. If the conditions of the Open Offer are not fulfilled on or before 8.00 a.m. on 29 June 2010, or such later date as Proteome Sciences may determine (being no later than 5.00 p.m. 12 July 2010), the Open Offer will lapse and all application monies will be returned without interest by crossed cheque in favour of the first named applicant through the post at the risk of the applicant(s) as soon as is practicable after that date, Interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

Cheques, which must be drawn on the personal account where you have sole or joint title to the funds, should be made payable to "Capita Registrars Limited re: Proteome Sciences plc Open Offer". Third party cheques, other than building society cheques or banker's drafts, where the building society or bank has confirmed that you have title to the underlying funds by detailing the account name on the back of the cheque/draft and adding the bank stamp, will not be accepted.

Payments must be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided for the members of any of those companies and must bear the appropriate sort code in the top right-hand corner. Cheques may be cashed immediately upon receipt. Post-dated cheques will not be accepted.

(e) Effect of application

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk, By completing and delivering an Application Form the applicant:

- (i) agrees that all applications under the Open Offer and contracts resulting therefrom, shall be governed by and construed in accordance with the laws of England;
- (ii) confirms that, in making the application, the applicant is not relying on any information or representation other than that contained in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof shall have any liability for any such information or representation not so contained; and
- (iii) represents and warrants that, if the applicant received some or all of their Open Offer Entitlements from a person other than Proteome Sciences, the applicant is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a bona fide market claim.

Should you need advice with regard to these procedures, please contact Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU on 0871 664 0321 or, if calling from outside the UK on +44 20 8639 3399, where relevant, quoting the Allotment number of your Application Form. Calls to the Capita Registrar's 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrar's +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. Qualifying Shareholders who do not wish to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

3.2 If you have Basic Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer

(a) General

Subject as provided in paragraph 6 of this Part II in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the number of Open Offer Shares which represents his Basic Entitlement. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Basic Entitlement and will be aggregated and made available under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason the Basic Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited on 14 June 2010, or such later time and/or date as the Company may decide, a Non-CREST Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this Document will be adjusted as appropriate and the provisions of this Document applicable to Qualifying Non-CREST Shareholders with Non-CREST Application Forms will apply to Qualifying CREST Shareholders who receive such Non-CREST Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Registrar on the shareholder helpline on 0871 664 0321, or, if calling from overseas, +44 208 639 3399. Calls to this number are charged at ten pence per minute (including VAT) from a BT landline (other provider costs may vary). Calls to the helpline from outside the UK will be charged at applicable international rates. Please note the Registrar cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements. Calls may be recorded and

monitored for security and training purposes. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

The Basic Entitlements and the Excess CREST Open Offer Entitlements will constitute separate securities for the purposes of CREST and will have separate ISINs. Although Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and the Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim transaction. Transactions identified by the CREST Claims Processing Unit as ‘‘cum’’ the Basic Entitlement and the Excess CREST Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Basic Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) Excess Application Facility

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Basic Entitlement.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part II in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a bona fide market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraphs 3.2(d)(f) below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as ‘‘cum’’ the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Basic Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Shares as a result of one or more bona fide market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate USE instruction must be sent to Euroclear in respect of any application under the Excess CREST Open Offer Entitlement.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number. Any fractional Excess Shares will be aggregated and sold for the benefit of the Company.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

All enquiries in connection with the procedure for application of Excess CREST Open Offer Entitlements should be made to the Registrar on the shareholder helpline 0871 664 0321, or, if calling from overseas, +44 208 639 3399. Calls to the 0871 number are charged at ten pence per minute (including VAT) from a BT landline (other provider costs may vary). Calls to the helpline from outside the UK will be charged at applicable international rates. Please note the Registrar cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their entitlement or apply for Excess Shares. Calls may be recorded and monitored for security and training purposes.

(d) USE instructions

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Basic Entitlement and Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Registrar under the participant ID and member account ID specified below, with a number of Basic Entitlements and/or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Registrar in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(d)(i) above.

(e) Content of USE instruction

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Capita Registrars);
- (ii) the ISIN of the Open Offer Basic Entitlement This is GB00B6114H80;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Capita Registrars in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Capita Registrars in its capacity as a CREST receiving agent is 27122PRO;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 am. on 28 June 2010; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 am. on 28 June 2010.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 28 June 2010 in order to be valid is 11.00 a.m. on that day.

In the event that Admission of the Open Offer Shares does not take place on 29 June 2010 or such later time and date as Proteome Sciences may determine (being no later than 5.00 p.m. on 12 July 2010), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Capita Registrars will refund the amount paid by a Qualifying CREST Holder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(f) Content of USE instruction in respect of Excess CREST Open Offer Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Registrar);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00B60GRW06;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Capita Registrars in its capacity as Receiving Agent. This is 7RA33;
- (vi) the member account ID of the Capita Registrars in its capacity as Receiving Agent. This is 27122EXS;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Ordinary Shares referred to in paragraph 3.2(f)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 am. on 28 June 2010; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 am on 28 June 2010.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 28 June 2010 in order to be valid is

11.00 am. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that Admission of the Open Offer Shares does not take place by 8.00 a.m. on 29 June 2010 or such later time and date as the Directors determine (being no later than 5.00 p.m. on 12 July 2010), the Open Offer will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(g) Deposit of Open Offer Entitlements into, and withdrawal from, CREST

A Qualifying non-CREST Holder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements and excess entitlement set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Holder named in the Application Form or into the file name of a person entitled by virtue of a bona fide market claim). Similarly, Open Offer Entitlements and excess entitlement held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and excess entitlement is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 28 June 2010.

In particular, having regard to normal processing times in CREST and on the part of Capita Registrars, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 23 June 2010, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 22 June 2010, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 28 June 2010.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to Proteome Sciences and Capita Registrars by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to Proteome Sciences and Capita Registrars from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of any Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(h) Validity of application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 am. on 28 June 2010 will constitute a valid application under the Open Offer.

(i) CREST procedures and timings

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member

concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 am. on 28 June 2010. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) Incorrect or incomplete applications

If a USE instruction includes a CREST payment for an incorrect sum, Proteome Sciences, through Capita Registrars, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question: and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question.

(k) Effect of valid application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Capita Registrars' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to Proteome Sciences the amount payable on application);
- (ii) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Document and subject to the memorandum and articles of association of Proteome Sciences;
- (iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) represent and warrant that he is not applying on behalf of any Shareholder, who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction and he is not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of a Restricted Jurisdiction except where proof satisfactory to Proteome Sciences has been provided to Proteome Sciences that he is able to accept the invitation by Proteome Sciences free of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a nondiscretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (v) represent and warrant that he is not and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (vi) confirm that in making such application he is not relying on any information in relation to Proteome Sciences other than that contained in this Document and agrees that no person responsible solely or jointly for this Document or any part thereof or involved in the preparation thereof, shall have any liability for any such other information and further agree

that having had the opportunity to read this Document, he will be deemed to have had notice of all the information concerning Proteome Sciences contained therein; and

- (vii) represent and warrant that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a bona fide market claim.
- (l) Company's discretion as to the rejection and validity of applications Proteome Sciences may in its sole discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part II of this Document;
 - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as Proteome Sciences may determine;
 - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Capita Registrars receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either Proteome Sciences or Capita Registrars have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
 - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Capita Registrars in connection with CREST.

4. Money laundering regulations

4.1 Holders of Application Forms

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations 2007 (as amended and supplemented), the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA and the Proceeds of Crime Act 2002 (together with other guidance and source books produced in relation to financial sector firms) Capita Registrars may at its absolute discretion require verification of identity from any person lodging an Application Form (the "applicant") including, without limitation, any applicant who (i) tenders payment by way of cheque or banker's draft drawn on an account in the name of a person or persons other than the applicant, or (ii) appears to Capita Registrars to be acting on behalf of some other person. In the former case, verification of the identity of the applicant may be required. In the latter case, verification of the identity of any person on whose behalf the applicant appears to be acting may be required.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- (ii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or

- (iii) if the aggregate subscription price for the Open Offer Shares is less than the Sterling equivalent of €15,000 (approximately £12,500).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by building society cheque (not being a cheque drawn on an account in the name of the applicant) or banker's draft, by the building society or bank endorsing on the cheque or banker's draft the applicant's name and the number of an account held in the applicant's name at such building society or bank, such endorsement being validated by a stamp and an authorised signature;
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, Gibraltar, Hong Kong, Iceland, Japan, New Zealand, Norway, Singapore, Switzerland, Turkey, UK Crown Dependencies and the United States and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Capita Registrars. If the agent is not such an organisation, it should contact Capita Registrars using the telephone numbers set out in this Document.

If you deliver your Application Form personally by hand, you should ensure that you have with you evidence of identity bearing your photograph (for example your passport). If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 28 June 2010, Capita Registrars have not received evidence satisfactory to them as aforesaid, Capita Registrars may, at their discretion, as the agents of Proteome Sciences, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

4.2 Basic Entitlements and allocations of Excess Shares held in CREST

If you hold your Basic Entitlement and allocation of Excess Shares in CREST and apply for Open Offer Shares in respect of all or some of your Basic Entitlement and Excess Shares as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Registrar is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Registrar such information as may be specified by the Registrar as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Registrar as to identity, the Registrar may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence as to the identity of the person or persons on whose behalf the application is made.

5. No public offering outside the United Kingdom

Proteome Sciences has not taken or will take any action in any jurisdiction that would permit a public offering of Existing Ordinary Shares in any jurisdiction where action for the purpose is required, other than in the United Kingdom.

6. Overseas holders

6.1 General

The making of the Open Offer to Qualifying Shareholders who are resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Such Overseas Shareholders should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to accept the Open Offer and/or apply to subscribe for Open Offer Shares.

As a result of restrictions applicable to any holder of Existing Ordinary Shares with registered or mailing addresses in the United States, Canada, Australia, Japan, their territories or possessions and other Restricted Jurisdictions, this Document and the accompanying Application Form are not being sent to any such holders of Existing Ordinary Shares nor will Open Offer Entitlements be credited to the stock account of any such holder.

No person receiving a copy of this Document and/or the Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom, may treat the same as constituting an invitation or offer to him to subscribe, nor should he in any event use such Application Form or credit of Open Offer Entitlements to a stock account in CREST, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Application Form or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used without contravention of any registration or regulation or other legal requirements. No Open Offer Entitlements may be credited to the stock account in CREST of certain Overseas Holders unless they can prove to the satisfaction of Proteome Sciences that such action would not result in contravention of any applicable legal requirements. Receipt of this Document and/or the Application Form or the crediting of Open Offer Entitlements to a stock account in CREST will not constitute an offer in those territories in which it would be unlawful to make such an offer and, in such circumstances, this Document and/or the Application Form will be treated as confidential, sent for information purposes only and should not be copied or distributed.

It is the responsibility of any Overseas Holder receiving a copy of this Document and/or the Application Forms and/or receiving a credit of Open Offer Entitlements to a stock account in CREST and wishing to take up the Open Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining all governmental or other consents which may be required, observing all other requisite formalities that need to be observed in such territory, and paying all issue, transfer or other taxes payable in such territory. If you are in any doubt as to your position, you should consult your independent professional adviser.

Persons (including, without limitation, nominees and trustees) receiving an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an Application Form and/or credit of Open Offer Entitlements to a stock account in CREST are received by a person in any such jurisdiction or by the agent or nominee of such a person, he must not seek to apply for Open Offer Shares except pursuant to an express agreement with Proteome Sciences. Any person who does forward an Application Form or transfer the Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph 6.

Proteome Sciences reserves the right (but shall not be obliged) to reject a purported application for Open Offer Shares under the Open Offer in a particular case if it believes doing so may violate applicable legal or regulatory requirements. The provisions of this paragraph 6 and/or any other terms of the Open Offer relating to Overseas Holders may be waived, varied or modified as regards (a) specific holders of Existing Ordinary Shares or (b) on a general basis by Proteome Sciences in its absolute discretion (and on such terms and conditions as it may think fit). All payments under the Open Offer must be made in Sterling.

6.2 United States

For the purposes of this Document a “US person” means a citizen or resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States and an estate or trust the income of which is subject to United States federal income taxation regardless of its source; provided, however, that the term “US person” does not include a branch or agency of a US bank or insurance company that is operating outside the United States for valid business reasons as a locally regulated branch or

agency engaged in the banking or insurance business and not solely for the purpose of investing in securities not registered under the Securities Act.

The Open Offer Shares and the accompanying Application Form have not been, and will not be, registered under the Securities Act or under the securities laws of any jurisdiction or state of the United States. Accordingly, except in a transaction which is exempt under the legislation, the Open Offer Shares and the Application Form and/or Open Offer Entitlements may not be directly or indirectly offered, sold, renounced, transferred, taken up or delivered, directly or indirectly, in or into the United States or to or for the benefit of US persons. This Document shall not constitute an offer to sell or the solicitation of an offer to buy any of the Open Offer Shares in the United States.

Envelopes containing the Application Form should not be postmarked in the United States or otherwise despatched from the United States. Persons will be deemed to have made an invalid application if they submit the Application Form in an envelope postmarked in the United States or have provided an address in the United States for registration, or do not make the representation and warranty set out in the Application Form to the effect that such person is not in the United States, is not a US person and is not acting for the account or benefit of a US person. The Open Offer is not therefore being made in the United States or to or for the account or benefit of a US person and holders of Existing Ordinary Shares at the Record Date with registered addresses in the United States will not be Qualifying Shareholders and Application Forms will not be sent to such persons.

6.3 Canada

No exemptions in connection with the Open Offer have been or will be obtained from any securities commission or similar regulatory authority in Canada. Accordingly, the Open Offer Shares are not being offered, nor may they be offered or sold, directly or indirectly, in Canada or to persons resident in Canada.

No prospectus in relation to the Open Offer Shares will be filed with and no relief from applicable securities law requirements will be obtained from the applicable regulatory authority of any province or territory of Canada.

Holders of Existing Ordinary Shares with registered addresses in Canada will not be Qualifying Holders and no Application Forms will be sent to such persons, nor will Open Offer Entitlements be credited to the stock accounts of such persons.

Persons (including without limitation, nominees and trustees) receiving an Application Form and/or Open Offer Entitlements should not distribute, send or transfer it or them to persons resident in Canada. Proteome Sciences reserves the right to reject an Application Form from persons whom it believes are residents of Canada or persons who are acquiring Open Offer Shares for resale into Canada.

6.4 Australia

No Application Form, advertisement or other offering material in relation to the Open Offer or the Open Offer Shares has been or will be distributed, directly or indirectly, in or into Australia, nor will Open Offer Entitlements be credited to the stock accounts of such persons. No prospectus in relation to the Open Offer Shares has been or will be lodged with or registered by the Australian Securities and Investments Commission. The Open Offer is not being made in Australia. The Open Offer Shares will not be available for subscription or purchase by any resident of Australia (including corporations and other entities organised under the laws of Australia, but not including a permanent establishment of any such corporation or entity located outside Australia).

Holders of Existing Ordinary Shares with registered addresses in Australia will not be Qualifying Holders and no Application Forms will be sent to, nor will Open Offer Entitlements be credited to, the stock accounts of such persons.

6.5 Japan

The relevant clearances have not been, and will not be, obtained from the Ministry of Finance of Japan and no circular in relation to the Open Offer Shares has been or will be lodged with or registered by the Ministry of Finance of Japan. The Open Offer Shares may not therefore, subject to certain exceptions, be offered or sold, directly or indirectly, in or into Japan. Accordingly, Application Forms are not being sent to, and no Open Offer Entitlements will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in Japan.

7. Settlement and dealings

The result of the Open Offer is expected to be announced on 28 June 2010. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that, subject to the Open Offer becoming unconditional in all respects, Admission will become effective and that dealings in the Open Offer Shares will commence on 29 June 2010. The earliest date for settlement of such dealings will be 29 June 2010. Proteome Sciences' Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the Open Offer Shares, all of which, when issued and fully paid, may be held and transferred by means of CREST.

Application has been made for the Open Offer Shares to be admitted to CREST. The conditions to such admission having already been met, the Open Offer Shares are expected to be admitted to CREST with effect from 29 June 2010. Open Offer Shares held in CREST are expected to be disabled in all respects after 11.00 a.m. on 29 June 2010 (the latest date for applications under the Open Offer). Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by Proteome Sciences on the day on which such conditions are satisfied (expected to be 29 June 2010). On this day, Capita Registrars will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 29 June 2010). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this Document, Proteome Sciences reserves the right to send Qualifying CREST Holders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and/or to issue an Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by Capita Registrars in connection with CREST. This right may also be exercised if the correct details (such as participant ID and member account ID details) are not provided as requested on the Application Form.

For Qualifying non-CREST Holders who have applied by using an Application Form, share certificates for the Open Offer Shares validly applied for are expected to be despatched by post during the week commencing 5 July 2010. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers of the Open Offer Shares by Qualifying non-CREST Holders will be certified against the register. All documents or remittances sent by or to an applicant (or his agent as appropriate) will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. Qualifying CREST holders should note that they will be sent no confirmation of the credit of the Open Offer Shares to their CREST stock account nor any other written communication by Proteome Sciences in respect of the issue of the Open Offer Shares.

8. Share option schemes

The Open Offer is not being extended to the holders of options under Proteome Sciences' share option schemes, save to the extent that any such options are or have been validly exercised and Ordinary Shares have been allotted in consequence of such exercise prior to the Record Date.

PART III

RISK FACTORS

Qualifying Shareholders should be aware that an investment in the Company involves a degree of risk and should only be made by those with the necessary expertise to appraise the investment. The following are considered by the Board to be the key risk factors which could have a material adverse effect on the Company's business, financial condition, prospects and share price. In addition to the other information in this Document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Company.

Additional capital requirements to fund ongoing operations

The Company's capital needs may exceed current expectations, requiring the Company to raise additional capital from equity or debt sources. Further equity financing may be further dilutive to existing Shareholders or result in the issuance of securities whose rights, preference and privileges are senior to those of the owners of Ordinary Shares. If any such future funding requirements are met through additional debt financing, the Company may be required to adhere to covenants restricting its future operational and financial activities. If the Company is unable to secure additional funds when needed or cannot do so on terms it finds acceptable, the Company may be unable to continue to trade, expand its operations, take full advantage of future commercial opportunities or respond adequately to competitive pressures, any of which may have an adverse effect on its business and results of operations.

Dependence on retention and recruitment of key personnel

The Company's performance is dependent upon the continued services and the performance of the executive Directors and other key personnel. The loss of the services of any of the executive Directors or key personnel could have a materially adverse effect upon the Company's future.

Competition and technical advances

The market in which the Group is operating is characterised by rapidly evolving technology and industry standards and many of the companies competing in this sector have substantially greater financial, technical and marketing resources, greater name recognition, larger customer bases and more established co-operative relationships. As the market grows, new alliances between competitors may emerge which could reduce the Group's potential for collaborations, sales, margins and market shares. Competitors could develop superior or more cost-effective techniques which could render the Group's technologies uncompetitive or develop products that achieve greater market acceptance than the Group's products. The future success of the Group will therefore depend to a large extent upon the Group's ability to develop and introduce new products and enhancements to existing products to meet and broaden customer needs and to anticipate developments in the market and changes in industry standards. No assurance can be given that new products or product enhancements will satisfy customer requirements or can be developed in time to meet market opportunities, will achieve a sufficient level of acceptance in new and existing markets, or will successfully anticipate rapid technological changes or new industry standards.

The Group's success will continue to be dependent on licencees/collaborators

The Group's strategy will continue to be to seek licencees/collaboration partners for certain of its product candidates. Such licencees/collaborations provide important funding to the Group through signature, milestone and royalty payments. The Group may be unable to establish additional collaborative arrangements on favourable terms, or at all, and any such arrangement or agreement may not prove successful.

Dependence on collaborative arrangements

The Group's success is partially dependent on its current licencees/collaborators and contractors and the ability of the Group to attract new licencees/collaborators and contractors in the future. The Group's licencees/collaborators have, and in the future are likely to have, substantial responsibility for some of the development and commercialisation of the Group's drug candidates. Certain of the Group's licencees/collaborators also have, and in the future are likely to have, significant discretion over the resources they devote to these efforts. The Group's success, therefore, will depend on the ability and efforts of these outside parties in performing their responsibilities. The development of the Group's product portfolio will rely

significantly on its strategic partners. If the relationship with any one of its partners (or their co-partners) is adversely affected, the results of the Group's operations may be adversely impacted.

The Group cannot guarantee that:

- existing collaborative arrangements or licence agreements or agreements with third party contractors will be able to be maintained;
- any new collaborative arrangements or licence agreements or agreements with third party contractors will be on favourable terms; or
- any collaborative arrangements or licence agreements or agreements with third party contractors will prove successful.

If the Group is unable to continue with any of the existing licenses/collaborations and, following negotiations with the relevant partners, terminates a license/collaboration, no assurance can be given that this will not have a negative impact on the reputation of the Group or its ability to secure additional license/collaborations in the future. The termination of any agreements with third party contractors or failure of third party contractors to perform their obligations under such agreements could have a disruptive effect on the Group's business.

Competition and technology

The international biotechnology industry is subject to rapid and substantial technological change. There can be no assurance that developments by other will not render the Company's developments obsolete or uncompetitive.

Patent application and proprietary rights

There is no assurance that Proteome Sciences' pending applications will result in the grant of patents or that the scope of protection offered by any patents will be as planned or whether any such patents ultimately will be upheld as valid by a court of competent jurisdictions in the event of a legal challenge. The costs of such legal proceedings would be significant and an unfavourable outcome would result in the loss of rights to the invention at issue in the proceedings. If Proteome Sciences fails to obtain patents for its technology and is required to rely on unpatented proprietary technology, no assurance can be given that Proteome Sciences can meaningfully protect its rights in such unpatented proprietary products and techniques.

Continuing losses

Proteome Sciences' business has incurred losses since it was established. These losses have arisen mainly from costs incurred in research and development and from general administrative costs. There can be no guarantees that the Company will become profitable in the future.

Taxation

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders. Statements in this Document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

Ability to pay future dividends

The Company's ability to pay dividends in the future is dependent upon the extent that it has distributable reserves and cash available for this purpose. The Company can give no assurance to Shareholders that it will pay dividends in the future.

Exchange rate fluctuations

The majority of the Group's prospective milestone and royalty payments are denominated in US Dollars whilst a substantial part of its operating costs are in Sterling. The Group is therefore exposed to foreign currency risk due to fluctuations in exchange rates. This may result in gains or losses with respect to movements in exchange rates which may be material and may also cause fluctuations in reported financial information that are not necessarily related to the Group's operating results.

Dilution as a result of not taking up the entitlement under the Open Offer

Regardless of whether Qualifying Shareholders take up their entitlements under the Open Offer, the effect of the Placing and the CEO Loan Conversion will be a reduction of their proportionate ownership and voting interests in Proteome Sciences (unless a Shareholder applies for excess applications under the Open Offer). Shareholders will experience greater dilution in their ownership of, and voting interests in, the Company to the extent they do not subscribe in full for their Open Offer Entitlement to New Ordinary Shares in the Open Offer. Those Shareholders in a Restricted Jurisdiction, subject to certain exceptions, will in any event not be able to participate in the Open Offer.

Realisation of investment

Potential investors should be aware that the value of shares and income from these shares can go down as well as up and that Admission of the New Ordinary Shares to trading on AIM should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Existing Ordinary Shares and/or the New Ordinary Shares may thus be difficult to realise.

Volatility in share price and liquidity

The share prices of publicly traded companies that are perceived to be within the technology sector are often subject to significant fluctuations. The market price of the Ordinary Shares may therefore be volatile and may be influenced by factors which affect the quoted pharmaceutical and biotechnology sectors (or quoted companies) generally and not just factors specific to the Group. An AIM quotation does not guarantee that there will be a liquid market for Ordinary Shares. An active public market for the Ordinary Shares may not develop or be sustained after the Fundraising and the market price may fall below the price of which the Ordinary Shares are issued under the Fundraising.

**PART IV
ADDITIONAL INFORMATION**

1 RESPONSIBILITY

The Directors, whose names appear on page 3 of this Document, accept responsibility for the information contained in this Document other than the recommendation set out in paragraph 9 of the letter from the Independent Directors forming Part I of this Document, for which the Independent Directors accept responsibility. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and there is no omission likely to affect the import of such information.

2 INTERESTS AND DEALINGS

2.1 Directors

- (a) At the close of business on 10 June 2010 (being the last practicable date prior to the publication of this Document) the interests of the Directors (all of which are beneficial) and their families and the interests of persons connected with them (within the meaning of section 346 of the Act) in relevant securities (whether by interests, rights to subscribe or short positions) of the Company are as follows:-

Director	Number of Ordinary Shares	% of Issued Share Capital
Stephen Harris	153,000	0.12
Christopher Pearce	6,538,075	4.92
James Malthouse	625,000	0.47
William Dawson	15,124	0.01
Alf Lindberg	-	-

- (b) During the period of 12 months preceding the date of this Document, there have been no dealings made by Director in the Company's securities:

2.2 Options

At the close of business on 10 June 2010 the share options granted to Directors are shown below:

	Date of grant	Exercise price	Number of shares	Date from which exercisable
Stephen Harris	-	-	-	-
Christopher Pearce	09/07/04	117.5p	264,255	Between 3rd and 7th anniversary of grant
James Malthouse	09/07/04	117.5p	159,574	Between 3rd and 7th anniversary of grant
William Dawson	-	-	-	-
Alf Lindberg	-	-	-	-

At the close of business on 10 June 2010 the Directors' interests in the Company's Long Term Incentive Plan, in each case for an aggregate consideration of £1 and subject to achieving performance conditions referred to in the Company's accounts for the year ended 31 December 2009, are as follows:

	Market price at date of grant	Number of shares	First Vesting Date
Stephen Harris	-	-	-
Christopher Pearce	49.75p 25p	504,523 1,882,500	02/07/10 31/07/11
James Malthouse	49.75p 25p	470,352 1,170,000	02/07/10 31/07/11
William Dawson	-	-	-
Alf Lindberg	-	-	-

3 MATERIAL CONTRACTS

Save as described below, no contracts have been entered into by the Company or any of its subsidiaries, other than in the ordinary course of business, within the two years prior to the publication of this Document which are still in force and material.

3.1 Engagement letter with Singer Capital Markets

On 4 June 2010 the Company entered into an engagement letter with Singer which was subsequently amended on 7 June 2010. In consideration for Singer providing corporate finance and broking services in connection with the Placing, Open Offer and CEO Loan Conversion the Company has agreed to pay to Singer the following amounts: (a) a corporate finance fee; (b) commission at the rate of 4 per cent of the aggregate value of the Placing Shares; and (c) commission at the rate of 2 per cent of the aggregate value of the Open Offer Shares. The Company will also pay Singer's expenses in connection with the Fundraising and will indemnify Singer in respect of any liabilities incurred in connection with the Fundraising.

3.2 Chief Executive Loan

On each of 24 June 2008 Christopher Pearce increased his £6 million loan to the Company by £2 million to £8 million and increased it again on 18 June 2009 to an aggregate total of £10 million (plus interest at 2.5% above the base rate of Barclays Bank plc). On 7 June 2010 the Christopher Pearce agreed to novate his Chief Executive Loan to the Company's main trading subsidiary Electrophoretics Limited which agreed to assume the payment obligations in respect of the Chief Executive Loan (plus interest at 2.5% above the base rate of Barclays Bank plc). The Company has agreed to guarantee the payment obligations of its subsidiary and the security granted by the Company in favour of Christopher Pearce in connection with the Chief Executive Loan will remain in place. Christopher Pearce has irrevocably agreed, subject to shareholder approval, to convert £5 million of the Chief Executive Loan into 25 million New Ordinary Shares at 20 pence per share. The outstanding balance of the Chief Executive Loan is repayable on demand and will continue to be convertible into New Ordinary Shares in the capital of the Company in accordance with the terms of the original Chief Executive Loan agreements (ie at a conversion price equal to the lower of: (a) the middle market price on the conversion date; and (b) the lowest 10 day closing middle market share price since 29 June 2006).

4. SERVICE CONTRACTS

Service Contracts and non-executive letters of appointment

Executive Directors

4.1 Christopher Pearce ("CP")

The Company has entered into an executive service contract with CP as Chief Executive which is terminable on 24 months' written notice by either party. CP is entitled to an annual salary of £251,000 plus pension contributions, expenses, health insurance and life assurance. CP agreed to waive his salary (but not his pension contributions) with effect from 1 July 2006 and is currently being paid the statutory minimum of £14,502 per annum. For the year ended 31 December 2009 pension contributions of £22,500 were made by the Company on CP's behalf. It is intended that CP's full salary will be reinstated with effect from 1 July 2010. It is proposed that CP will be paid his salary arrears of £1,117,203 and a bonus equal to 6 months' salary when the Company has surplus cash resources beyond its working capital and other requirements.

4.2 James Malthouse ("JM")

The Company has entered into an executive service contract with JM as Finance Director, which is terminable on 24 months' written notice by either party. JM is entitled to an annual salary of £156,000 plus a company car, pension contributions, expenses, health insurance and life assurance. JM agreed to waive his salary (but not his pension contributions) with effect from 1 July 2006. On 1 October 2009 it was agreed that JM should be paid £5,000 per month which has been increased to £6,300 per month with effect from 1 January 2010 in consideration for a reduction in JM's pension contributions of £15,600. For the year ended 31 December 2009 pension contributions of £16,812 were made by the Company on behalf of JM. It is intended that JM's full salary will be reinstated with effect from 1 July 2010. It is

proposed that JM will be paid his salary arrears of £605,329 and a bonus equal to 6 months' salary when the Company has surplus cash resources beyond its working capital and other requirements.

Non-Executive Directors

4.3 Stephen Harris ("SH")

SH has entered into a letter of appointment with the Company as non-executive chairman which expires on 30 September 2010 and is terminable on 3 months' written notice by either party. SH is entitled to an annual fee of £38,000 but agreed to waive his fee with effect from 1 July 2006. It is intended that SH's full salary will be reinstated with effect from 1 July 2010. It is proposed that SH will be paid his fee arrears of £152,000 and a bonus equal to 6 months' fees when the Company has surplus cash resources beyond its working capital and other requirements.

4.4 William Dawson ("WD")

WD has entered into a letter of appointment with the Company as non-executive director which expires on 30 September 2010 and is terminable on 3 months' written notice by either party. WD is entitled to an annual fee of £27,500 but agreed to waive his fee with effect from 1 July 2006. It is intended that WD's full salary will be reinstated with effect from 1 July 2010. It is proposed that WD will be paid his fee arrears of £110,000 and a bonus equal to 6 months' fees when the Company has surplus cash resources beyond its working capital and other requirements.

4.5 Alf Lindberg ("AL")

AL has entered into a letter of appointment with the Company as non-executive director which expires on 30 September 2010 and is terminable on 3 months' written notice by either party. AL is entitled to an annual fee of £25,000 but agreed to waive his fee with effect from 1 July 2006. It is intended that AL's full salary will be reinstated with effect from 1 July 2010. It is proposed that AL will be paid his fee arrears of £100,000 and a bonus equal to 6 months' fees when the Company has surplus cash resources beyond its working capital and other requirements.

5. OTHER INFORMATION

- 5.1 Singer has given and has not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which they appear.
- 5.2 Other than the Chief Executive Loan Conversion there are no agreements, arrangements or understandings (including any compensation arrangement) existing with the Placees and any of the Directors, recent directors, Shareholders or recent Shareholders of the Company having any connection with or dependence upon the approval by Shareholders of the proposals set out in this Document.
- 5.3 The Directors are not aware of any agreement or arrangement or understanding by which beneficial ownership of any Ordinary Shares acquired by the Company pursuant to the Placing or the Open Offer will be transferred to any other person.
- 5.4 The Directors' intentions regarding the continuance of the Company's business and their intentions regarding the continued employment of its employees and those of its subsidiaries will not be altered by the Placing and Open Offer.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Proteome Sciences from the date of this Document up to the time of the AGM:

- 6.1 the memorandum and articles of association of Proteome Sciences plc;
- 6.2 the audited report and financial statements of Proteome Sciences plc for the years ended 31 December 2007, 2008 and 2009;
- 6.3 written consent referred to in paragraph 5.1 above; and
- 6.4 this Document.

